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**(BW)(FL-VECTOR-GROUP)(VGR) Vector Group Reduces Cancer Causing Agent in Cigarettes to Below the Level That Initiates Carcinomas**

Business Editors

MIAMI, FL--(BUSINESS WIRE)--February 13, 2001--

**New Technology Complements Vector's New Virtually Nicotine-Free Tobacco**

Vector Group Ltd. (NYSE: VGR) today announced that its Vector Tobacco subsidiary has developed a new proprietary technology which significantly reduces carcinogenic polycyclic aromatic hydrocarbon (PAH) compounds, including benzo(a)pyrene, from cigarette smoke. The PAHs are reduced below the level that is known to initiate carcinomas.

PAHs, such as the PAH benzo(a)pyrene, are considered by many in the health community to be the most severe cancer-causing agent in cigarettes. The May 2000 Journal of the National Cancer Institute concluded that, "PAHs are prominent among the causative agents for lung cancer in smokers," and that "avoiding exposure to (PAHs) is the key to decreasing lung cancer incidence."

The proprietary process, which employs the use of a complex catalytic system, was developed by Dr. Robert Bereman, Vice President of Chemical Research at Vector Tobacco and former North Carolina State University Chemistry Professor. The new cigarettes are lighted, smoked and taste the same as conventional cigarettes. Subject to independent laboratory verification, the Company expects to introduce this product to market in 2001.

Vector Tobacco also recently announced that it has the rights to a proprietary process that enables the production of a tobacco cigarette that is virtually free of nicotine and virtually free of tobacco specific nitrosamines (TSNAs), another potent carcinogen found in tobacco. The process, developed by Dr. Mark A. Conkling, Vice President of Genetic Research at Vector Tobacco and former North Carolina State University Genetics Professor, genetically modifies the tobacco seed to produce a virtually nicotine-free and TSNA-free tobacco. Cigarettes produced with this process have been tested in focus groups in the United States and overseas, with such tests confirming that these cigarettes also smoke and taste like a conventional cigarette.

"We are extremely excited about these breakthroughs," said Bennett S. LeBow, Chairman and Chief Executive Officer of Vector Group. "While there is no such thing as a safe cigarette, we believe we've eliminated what the health community considers to be the most serious cancer causing agents with these developments. Vector Tobacco is committed to making our innovative products available to smokers as soon as possible."

These new products will be marketed by Vector Tobacco, which is also purchasing an existing manufacturing plant in North Carolina and converting it into a modern cigarette manufacturing facility.

Dr. John Bunch, Vice President of Research at Vector Tobacco, stated, "On behalf of the entire research team at Vector Tobacco, we are proud to be working for such an industry pioneer. Vector Tobacco is clearly committed to changing the face of the tobacco industry."

LeBow added, "We believe that these historical developments may address the two greatest concerns of the health community about smoking - cancer causing agents and addiction. In our view, there is great potential in combining Vector Tobacco's significantly PAH-reduced technology with

our virtually nicotine-free and TSNA-free tobacco. By producing a cigarette with significantly reduced PAHs and virtually no TSNA's, the two most serious cancer causing agents, we would be giving consumers a new choice about what to smoke. By eliminating nicotine, the addictive agent in cigarettes, we would be giving consumers more of a choice about whether or not to smoke."

Vector Group is a holding company that indirectly owns Liggett Group Inc. and a controlling interest in New Valley Corporation. Effective May 24, 2000, Vector Group changed its name from Brooke Group Ltd.

This press release contains certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. The Company has tried, whenever possible, to identify these forward-looking statements using words such as "anticipates", "believes", "estimates", "expects", "plans", "intends" and similar expressions. These statements reflect the Company's current beliefs and are based upon information currently available to it. Accordingly, such forward-looking statements involve known and unknown risks, uncertainties and other factors which could cause the Company's actual results, performance or achievements to differ materially from those expressed in, or implied by, such statements. These risks, uncertainties and contingencies include, without limitation, the challenges inherent in new product development initiatives, the Company's ability to raise the capital necessary to grow its business, potential disputes concerning the Company's intellectual property, potential delays in obtaining any necessary government approvals of the Company's proposed new tobacco products, potential delays in obtaining the tobacco and other raw materials needed to produce the Company's proposed new products, market acceptance of the Company's proposed new products, competition from companies with greater resources than the Company and the Company's dependence on key employees. See additional discussion under "Risk Factors" in Item 1 of the Company's Annual Report on Form 10-K for the year ended December 31, 1999, and other factors detailed from time to time in the Company's other filings with the Securities and Exchange Commission. The Company undertakes no obligation to update or advise upon any such forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

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